



**Health Services**  
LOS ANGELES COUNTY

July 18, 2011

**Los Angeles County  
Board of Supervisors**

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**TO:** Each Supervisor

**FROM:** Mitchell H. Katz, M.D.  
Director

**SUBJECT: PHYSICIAN SERVICES FOR INDIGENTS PROGRAM  
(PSIP) STATUS REPORT**

**Mitchell H. Katz, M.D.**  
Director

**Hal F. Yee, Jr., M.D., Ph.D.**  
Chief Deputy Director & Chief Medical Officer

**John F. Schunhoff, Ph.D.**  
Chief Deputy Director

On February 16, 2010, your Board instructed the Auditor-Controller (A-C) to conduct a policy and operational review of the Department of Health Services (DHS) Physician Services for Indigent Program (PSIP). On March 11, 2011 the A-C issued the results of its review, which included several recommendations to improve the program's administration. One recommendation was that DHS submit semiannual status reports to the Board to further increase transparency. This report is in response to that recommendation and addresses program data, major reimbursement issues and other pertinent information.

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213)240-8101  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

Effective July 2009, the physician reimbursement rate was reduced to 18% of the Official County Fee Schedule (OCFS). This reduction was made as a result of the State's elimination of the Emergency Medical Services Appropriation (EMSA). The 18% rate is below the average MediCal reimbursement rate.

Effective July 2010, with your Board's approval, DHS implemented one of the A-C's recommendations and offered a three (3) year enrollment to the participating providers through June 2013. Attached is a schedule which shows the program's enrollment and claim data for Fiscal Year (FY) 2009-2010 and year-to-date FY 2010-2011.

DHS is currently calculating the reimbursement rate for FY 2011-2012, based on projected funding and historical claim volume. DHS will provide your Board with our calculations and recommendations in August 2011. If a rate change is indicated, DHS will submit the rate recommendation to your Board for approval in September 2011. This will allow sufficient time to inform the providers and ensure that claims can be paid as soon as they are submitted beginning October 2011. As stated in the California Health and Safety Code Section 1797.98a, DHS is required to allocate projected revenues to ensure some payment of all eligible claims.

The next update report will be submitted in January 2012. In the meantime, we will keep you informed of any changes in the program.

*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.*

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If you have any questions, please contact me or Cathy Chidester, EMS Director, at (562) 347-1604.

MHK:cc

Attachment

c:     Executive Office, Board of Supervisors  
       County Counsel  
       Chief Executive Office  
       Auditor-Controller  
       Emergency Medical Services Commission  
       Hospitals and Health Care Delivery Commission

**COUNTY OF LOS ANGELES-- DEPARTMENT OF HEALTH  
PHYSICIAN SERVICES FOR INDIGENTS PROGRAM (PSIP)  
As of June 2011**

Category	FY 2009-10 Actual	FY 2010-11 YTD <sup>(1)</sup>
Physicians enrolled	4,676	4,375
Claims Paid	358,000	180,465
Claims returned/denied (2)	93,238	28,809
Total reimbursement	\$ 17,492,699	\$ 8,856,495
Average reimbursement per claim (3)	\$ 49	\$ 49

(1) Deadline for physicians to submit/re-submit FY 10-11 claims is October 30, 2011

(2) Some claims are re-submitted/appealed for payment

(3) Reimbursed at 18% of OCFS